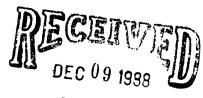


Norman H Bangerter Governor Suzanne Dandoy, M D , M P H Executive Director Kenneth L Alkema Director

DEPARTMENT OF HEALTH DIVISION OF ENVIRONMENTAL HEALTH

288 North 1460 West P O Box 16690 Salt Lake City, Utah 84116-0690 (801) 538-6121



OIL, GAS & MINING

CERTIFIED MAIL (Return Receipt Requested)

December 7, 1988

Mr. Gerald Schurtz B.P. Minerals America 1515 Mineral Square Salt Lake City, Utah 84112

Re: B.P. Minerals

Barney's Canyon

Unauthorized Construction

Dear Mr. Schurtz:

An inspection of the Barney's Canyon project was conducted on 2 December 1988 by Bob Ramsey, Leif Jacobsen, and Tracy Braun of B.P. Minerals, Brian Buck and Rick Pole of JBR Consultants, Paul Kaplan of Sergent. Hauskins and Beckwith, Mel Muir of Salt Lake City/County Health Department and Mack Croft and Charlie Dietz of the Bureau of Water Pollution Control.

The inspection established that two process ponds of approximately 5,000,000 gallons each have been constructed with the exception of the liner systems. This action is in contradiction to the verbal instructions given to Mr. Tracy Braun of your staff on the process pond site during an inspection conducted 7 November 1988 by Mr. Charlie Dietz of my staff. It must be further noted that at the time of this inspection no work had been done in the process pond area.

Also a letter dated 10 November 1988, sent certified mail return receipt requested, stated that " further work for rough grading of the heap leach pad or process ponds cannot be permitted until the plans for the same have been reviewed and approved."

Be advised that in accordance with UCA 26-11-6, UCA 26-11-8 and R448-1-2, B.P. Minerals America must cease all construction activities involving the heap leach pads, process ponds, process piping, in addition to any other protions of the project which have the potential to impact surface and ground water, until plans and specifications for the entire project have been submitted for review and approval and a construction permit has been issued. The only activity which can proceed with regard to the above listed facilities is stripping, grubbing and general site preparation.

Mr. Gerald Schurtz Page Two

We are concerned that construction has proceeded to this extent on these facilities and advise you that any modifications to completed work or other demonstrations of adequacy to conform with yet to be approved plans and specifications will be the responsibility of B.P. Minerals.

Please call Mack Croft or Charlie Dietz of my staff if there are any questions.

Sincerely,

Utah Water Pollution Control Committee

Don A. Ostler, P.E. Executive Secretary

Dm a. Cetter

cc: Fred Nelson, Assistant Attorney General

Mr. Bob Ramsey, General Manager Barney's Canyon

Mr. Leif Jacobsen, Barney's Canyon Gold Project

Mr. Kent Miner, Salt Lake City/County Health Department

Mr. Brian Buck, JBR Consultants

Mr. Lowell Braxton, Oil, Gas and Mining

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